Idaho Natural Gas Utilities

The Idaho Public Utilities Commission regulates three natural gas utilities - Intermountain Gas Company, Avista Utilities and Questar Gas.

Intermountain Gas supplies natural gas to southern Idaho, serving more than 220,000 customers.

Avista has gas operations in eastern Washington and northern Idaho, serving more than 57,000 customers in northern Idaho.

In June 1990, Questar Gas - then known as Mountain Fuel Supply Co. - of Salt Lake City, Utah, applied to the commission for authority to serve Idaho customers in the Preston area.

Questar provides service to a small number of customers in southeast Idaho, but its rates are set by the Utah commission pursuant to Idaho Code 61-505. Together, the commission and the Idaho Legislature amended *Idaho Code 61-505*, clarifying the commission's ability to contract with neighboring state regulators to regulate rates in Idaho border communities served by the neighboring state's utilities. The amendment encourages such utilities to extend service into Idaho without incurring undue regulatory expense.

When natural gas reached Idaho communities in the 1950s, local distribution companies' supply came from the Northwest Pipeline Corporation of Salt Lake City. The pipeline serves much of the Pacific Northwest, connecting the Four Corners fields of the southwest with Canadian supply.

Intern	nountain	Avista	Questar	Total
Customers	222,976	57,328	1,581	281,885
% of Total	79.1%	20.34%	0.56%	100%
Therms (millions)	522.5	135.7	1.5	659.7
% of Total Therms	79.2%	20.57%	0.23%	100%
Revenue (millions)	\$208.51	\$57.96	\$1.16	\$267.63
% of Total Revenu	ie 77.91%	21.66%	0.43%	100%

INTERMOUNTAIN GAS COMPANY

	Residential	Commercial	Industrial	Transportation	Total
Customers	199,331	23,529	11	105	222,976
% of Total	89.396%	10.552%	0.05%	0.047%	100%
Therms (millions	s) 163.2	95.5	3.2	260.6	522.5
%of Total Theri	ms 31.23%	18.28%	0.61%	49.88%	100%
Revenue (million	ns)\$127.24	\$68.72	\$1.66	\$10.89	\$208.51
% of Total	61.02%	32.96%	0.80%	5.22%	100%

AVISTA UTILITIES

Idaho services only

	Residential C	ommercial	Industrial	Transportation	Total
Customers	50,440	6,772	106	10	57,328
% of Total	87.85%	11.94%	0.19%	0.01%	100%
Therms (millions	38.4	25.9	3.5	67.9	135.7
%of Total Thern	ns 28.49%	19.44%	3.07%	49%	100%
Revenue (million	ıs) \$33.62	\$21.01	\$2.58	\$0.75	\$57.96
% of Total	59.20%	34.46%	4.65%	1.68%	100%

The state's gas prices have decreased slightly after rapid increases, following national trends.

QUESTAR GAS COMPANY

Idaho services only

F	Residential	Commercial	Industrial	Transportation	Total
Customers	1,580	1	0	0	1,581
% of Total	99.93%	0.07%	0.00%	0.00%	100%
Therms (millions)	1.4	0.1	0.0	0.0	1.5
%of Total Therm	s 94.61%	5.39%	0.00%	0.00%	100%
Revenue (millions	s) \$1.12	\$0.04	\$0.00	\$0.00	\$1.16
% of Total	96.26%	6 3.74%	0.00%	0.00%	100%

Gas Utility Case Reviews

July 1, 2002

INTERMOUNTAIN CUSTOMERS GET 28% DECREASE Case No. INT-G-02-3, Order No. 29068

Intermountain Gas residential customers are getting about a 28 percent decrease in their gas rates.

The reduction reflects the lower prices Intermountain Gas has been paying to wholesalers in recent months.

The company had proposed a 24 percent decrease and over-collecting \$8.2 million to offset likely rate increases next year and promote rate stabilization

The commission denied the over-collection, saying customers should receive the benefit of decreased lower wholesale gas prices as they occur.

"Although the company's proposal to over-collect \$8.2 million to offset a likely rate increase next year is well-intended, the commission will not breach the commitment it made to ratepayers to pass through the full rate decrease," the commissioners said.

The expiration of temporary credits next year and the possibility of higher wholesale prices point to a likely increase next year. Therefore, the commission urged the company to continue its education efforts to help customers reduce their energy needs. The order also asked that the company adjust level-pay plans for customers to accommodate the rate decrease as soon as possible.

The decrease for the average residential customer who uses natural gas for space heating only – using about 49 therms a month – is about \$12.37 a month, or 25.3 percent. For residential customers who use natural gas for space and water heating – consuming about 65 therms a month – will see a monthly decrease of about \$18.17 or 28.1 percent. Commercial customers using the average of 259 therms per month will see a decrease of about \$76.78 per month, or 29.7 percent.

Because of changes in Intermountain's gas-related costs, the proposed decreases in prices and revenues will not affect the company's earnings.

Intermountain Gas Company

555 S. Cole Road P O Box 7608 Boise, ID 83707

208-377-6840 (Boise) 208-365-3004 (Emmett) 208-788-3488 (Hailey) 208-522-6095 (Idaho Falls) 208-467-7491 (Nampa)

Residential Rates (RS2, customers using gas for both space and water heating) Summer \$2.50/month \$0.57698/therm Winter \$6.50/mo \$0.54335/therm



Avista Utilities

P O Box 3727 Spokane, WA 99220

> 509-489-0500 (Spokane) 208-664-0421 (Coeur d'Alene) 208-743-5541 (Lewiston) 208-882-7511 (Moscow)

Residential Rates Basic Charge \$3.28 \$0.47011/therm



Questar Gas Company

180 E. First South Salt Lake City, UT 84139

801-324-51120

Residential Rates
Summer
\$5.00/mo
\$0.433548/therm
\$0.330883/therm over
45 therms
Winter
\$5.00/mo
\$0.518495/therm
\$0.405118/therm over
45 therms

October 30, 2002

COMMISSION OKs AVISTA GAS REDUCTION Case No. AVU-G-02-2, Order No. 29142

The Idaho Public Utilities Commission approved a reduction for customers of Avista Gas that averages about 15.64 percent.

The reduction approved is slightly higher than the average 15.5 percent proposed by the company.

Lower current and projected wholesale prices for natural gas resulted in the decrease for Avista's 56,000 customers in northern Idaho. The new rates are effective Nov. 1.

For the average residential customer, the decrease is about \$10.50 per month, or 14.9 percent. The average price is about 75.7 cents per therm, a 14-cent reduction from current rates.

Commercial customers will see a decrease of about 17.4 percent and industrial customers about 19 percent.

Commissioners expressed relief that gas prices are returning to near historic levels after unprecedented increases during the last two years.

"As a result of the increased commodity prices that Avista paid its suppliers in 2000 and 2001, the commission approved a substantial rate increase," commissioners said. "Needless to say, we are relieved that Avista customers will finally experience rate relief."